

**STATEMENT OF PROCEEDINGS FOR THE
REGULAR MEETING OF THE
CITY OF HUNTINGTON PARK OVERSIGHT BOARD**

**CITY OF HUNTINGTON PARK
CITY COUNCIL CHAMBERS
6550 MILES AVENUE
HUNTINGTON PARK, CALIFORNIA, 90255**

Monday, August 27, 2012

3:30 PM

AUDIO LINK FOR THE ENTIRE MEETING. (12-4863)

Attachment: [08-27-12 HP Audio](#)

I. CALL TO ORDER

Chair Guerrero called the Meeting to order at 3:43 p.m.

II. ROLL CALL

Present: Board Member Eduardo Adame, Board Member Luis Buendia,
Board Member Yolanda Duarte (arrived at 4:10 p.m.), Board
Member Albert Fontanez, Board Member Richard Verches, Vice
Chair Michelle Cervera (arrived at 3:47 p.m.) and Chair Elba
Guerrero

III. ADMINISTRATIVE MATTERS

1. Designation of a contact person who shall serve as the point of contact for the State Department of Finance inquiries. (12-3835)

Fernanda Palacios, Project Manager, announced that Elba Padilla, the previous DOF contact, is no longer with the City of Huntington Park. Ms. Palacios will now serve as the point of contact for the (DOF) inquiries.

V. DISCUSSION

2. Recommendation: Approve a resolution approving the Third Recognized Obligation Payment Schedules (ROPS No. 3) for the period of January 1, 2013 - June 30, 2013. (Continued from the meeting of 08-08-12) (12-3606)

This agenda Item was taken out of order and heard after agenda Item No. 3.

Fernanda Palacios, Project Manager, provided an update on the ROPS 3 and introduced Brent Kuhn, Financial Consultant with Vavrinek, Trine, Day, and Co. LLP, who will be assisting her with providing the ROPS No. 3 report. Ms. Palacios explained that since the last meeting, the item numbering on the ROPS 3 was revised and she noted that some of the item numbers have now changed.

Vice Chair Cervera requested for staff to provide a synopsis on each of the Line Items that were voted on at the prior Oversight Board Meeting held on August 8, 2012. Ms. Palacios and Mr. Kuhn provided an overview of each of the items previously voted on by the Board and answered questions posed by the Board.

Rhonda Rangel, Oversight Board Secretary, read back the following items that were approved, denied and tabled from the meeting of August 8, 2012:

The following Line Items listed on ROPS No. 3 approved by the Board on August 8, 2012:

- Line Item 1: Project Name: Tax Allocation Refunding Bond 1994 Series A
- Line Item 2 (formerly Line Item 1.1): Project Name: Tax Allocation Refunding Bond 1994 Series A
- Line Item 3 (formerly Line Item 2): Project Name: Public Funding Lease Agreement 2007
- Line Item 4 (formerly Line Item 3): Project Name: Loan Agreement/Promissory Note Merged Redevelopment (Santa Fe) Project
- Line Item 5 (formerly Line Item 4): Project Name: Loan Agreement/Promissory Note Neighborhood Preservation Project
- Line Item 7 (formerly Line Item 13): Project Name: Carmelita Project Relocation Benefits
- Line Item 8 (formerly Line Item 13.1): Project Name: Carmelita Project Relocation Services
- Line item 12 (formerly Line Item 13.5): Project Name: Property Maintenance
- Line item 13 (formerly Line Item 13.6): Project Name: Fence Rental
- Line Item 14: Project Name: Southland Steel California Land Reuse and Revitalization Act (CLRRRA) Agreement
- Line Item 15 (formerly Line Item 14.1): Project Name: Agreement to prepare plans as required by DTSC for clean-up of the Southland Steel site
- Line Item 18 (formerly Line Item 14.4): Project Name: Legal Fees
- Line Item 19 (formerly Line Item 16): Project Name: Middleton Affordable Housing Project
- Line Item 20 (formerly Line Item 16.1): Project Name: Middleton Project Relocation Benefits
- Line Item 21 (formerly Line Item 16.2): Project Name: Middleton Project Relocation Services
- Line Item 24 (formerly Line Item 17): Project Name: LAUSD vs. County of L.A. et al

- Line Item 26 (formerly Line Item 18): Project Name: CARRY OVER ROPS1 Administrative Budget January 1, 2012-June 10, 2012
- Line Item 27 (formerly Line Item 19): Project Name: CARRY OVER ROPS1 Administrative Budget July 1, 2012 – December 31, 2012

The following Line Items listed on ROPS No. 3 not approved by the Board on August 8, 2012:

- Line Item 6: Project Name: Los Angeles County Reimbursement Agreement
- Line item 9 (formerly Line Item 13.2): Project Name: Project Costs – Project Delivery
- Line item 10 (formerly Line Item 13.3): Project Name: Legal Services
- Line item 11 (formerly Line Item 13.4): Project Name: Demolition
- Line Item 23 (formerly Line Item 16.4): Project Name: Middleton Legal Services

The following Line Item listed on ROPS No. 3 were tabled at the August 8, 2012 meeting:

- Line Item 16 (formerly Line Item 14.2): Project Name: Implement Clean Up of Contaminated Soil
- Line Item 17 (formerly Line Item 14.3): Project Name: Project Delivery
- Line Item 22 (formerly Line Item 16.3): Project Name: Salaries-Middleton Project Delivery

Vice Chair Cervera requested a copy of the wire transfer confirming a July 2012 payment for Line Item 2 (formerly Line Item 1.1): Project Name: Tax Allocation Refunding Bond 1994 Series A. Board Member Duarte requested proof of payment of the “true up payment” pursuant to Health and Safety Code Section 34183.5 (b) owed to the County.

Vice Chair Cervera requested proof of payment for Line Item 8 (formerly Line Item 13.1): Project Name: Carmelita Project Relocation Services. Ms. Palacios will provide copies of the cancelled checks.

Ms. Palacios continued providing a detailed background on the remaining ROPS 3 Line Items that needed approval and responded to questions from the Board Members.

Line Item 6: Project Name: Los Angeles County Reimbursement Agreement

Vice Chair Cervera requested clarification on why Line Item 6 was not included on the Enforceable Obligation Payment Schedule (EOPS), ROPS

No.1 or ROPS No.2. She also requested confirmation on the actual outstanding balance for this line item. Mr. Kuhn stated that it was not previously listed on the EOPS, ROPS No.1 or ROPS No. 2 because it was an oversight. If the item would have been previously identified on a previous ROPS, the “true up payment” would have been a lot less. He added that the amount was taken from the last audit done on June 30, 2011 and as suggested by Vice Chair Cervera, he will contact Arlene Barrera, Los Angeles County Auditor Controller’s office, to verify the actual amount. Vice Chair Cervera also request written correspondence from the County verifying the amount owed to the County.

Ms. Palacios stated that she would email the entire June 3, 2011 financial audit to the Board Members.

On motion of Board Member Fontanez, seconded by Chair Guerrero, this item was unanimously approved.

Line item 9 (formerly Line Item 13.2): Project Name: Salaries-Project Delivery Delivery

Ms. Palacios provided an overview of the staff report prepared for the Oversight Board, as requested by Vice Chair Cervera. She also provided a detailed breakdown of how she is tracking staff time for each project. Board Member Buendia reminded staff to ensure that project staff time is separate and does not get double charged as part of the Administrative Budget.

Board Member Verches stated that there was a spelling error on the project name on the ROPS.

On motion of Board Member Fontanez, seconded by Chair Guerrero, this item was unanimously approved.

Line item 10 (formerly Line Item 13.3): Project Name: Legal Services

On motion of Board Member Fontanez, seconded by Chair Guerrero, this item was unanimously approved.

Line Item 11: Project Name: Demolition

Ms. Palacios, stated that Section 34177 (d) (1) (f) of AB1484 expanded the definition of an enforceable obligation to include the costs of maintaining assets. However, because ABX126 dissolved the Redevelopment agencies, the Successor Agency was unable to hire someone for this project.

Board Member Adame requested copies of any existing contracts. Ms. Palacios stated that there was a Request for Proposal and they have received some quotes, but there are no contracts in place.

On motion of Board Member Verches, seconded by Board Member Fontanez, this item failed to carry by the following vote:

Ayes: 3 - Board Members Verches, Fontanez and Chair Guerrero
Noes: 3 - Board Members Adame, Duarte, and Buendia
Abstain: 1 - Vice Chair Cervera

Line Item 16: Project Name: Implement Clean-up of Contaminated Soil

Ms. Palacios, stated that there is not a contract in place for this project. She added that a \$200,000 grant from the United States Environmental Protection Agency (EPA) was awarded to the City in 2005 for the clean-up of the Southland Steel Site. She added that the grant expiration date was extended to October 2013 and an estimated \$700,000 will be needed to fund soil remediation. The balance of \$500,000 is proposed to be paid from Successor Agency funds.

Vice Chair Cervera asked for clarification on the total amount of the obligation that is currently due and the amount of work that has been done. Ms. Palacios stated that they have received an estimate for the clean-up for the soil only and so far only phase one and phase two testing has been done. She added that the Successor Agency receives \$7,000 a month from Alexander BMW as parking space rental income.

On motion of Board Member Fontanez, seconded by Chair Guerrero, this item was approved with the following vote:

Ayes: 4 – Board Members Fontanez, Buendia, Verches, and Chair Guerrero
Noes: 3 – Board Members Adame, Duarte, and Vice Chair Cervera
Abstain: 0 - None

Line Item 17: Project Name: Salaries – Project Delivery

On motion of Board Member Fontanez, seconded by Vice Chair Cervera, this item was unanimously approved.

Line Item 22: Project Name: Salaries – Project Delivery

On motion of Board Member Fontanez, seconded by Chair Guerrero, this item was unanimously approved.

Line Item 23: Project Name: Middleton – Legal Services

Ms. Palacios, stated that the Successor Agency (SA) has been strategizing with legal counsel preparing for a worst case scenario in regards to this project. For example, the contractor may sue the Successor Agency and the City. The City and the Successor Agency entered into an agreement allowing the SA to manage the City's home program which is Federally funded.

Vice Chair Cervera requested copies of the current bill for legal services for this project and requested that all future ROPS show actuals and not estimates of charges.

On motion of Board Member Fontanez, seconded by Chair Guerrero, this item was unanimously approved.

Ms. Palacios provided a brief overview of the remaining pages of ROPS 3. Vice Chair Cervera noted that Line Items 9, 10, 17, and 18 have incorrect information on the Notes Page of the ROPS 3. The Board questioned the Graffiti Clean project listed on the ROPS vs. Actual Payments from January 1, 2012 through June 30, 2012 and voiced concern that Staff did not point out that this item was an actual expense that was not reimbursed by the City. Vice Chair Cervera requested that Staff inform the Board of every item that is included on the ROPS.

On motion of Board Member Fontanez, seconded by Board Member Verches, duly carried by the following vote, the Board adopted a Resolution approving the Third Recognized Obligation Payment Schedule (ROPS No. 3) for the period of January 1, 2013 – June 30, 2013, with an amendment to remove Line Item 11: Project Name: Demolition from the ROPS:

**Ayes: 7- Board Member Buendia, Board Member Duarte,
Board Member Fontanez, Board Member Verches,
Vice Chair Cervera and Chair Guerrero**

Attachments: [Staff Report and Resolution](#)
[ROPS for the period of January 1, 2013 through June 30, 2013](#)
[Supporting Documentation](#)
[Additional Supporting Documentation](#)

3. Recommendation: Approve a Resolution approving an Administrative Budget for the Successor Agency for the six-month period of January 1, 2013 through June 30, 2013 and a Cooperative Agreement with the City and the Successor Agency. (Continued from the meeting of 08-08-12) (12-3627)

Fernanda Palacios, Project Manager, provided an overview of the Administrative Budget disseminated to the Board and answered question posed by the Board.

On motion of Board Member Verches, seconded by Board Member Fontanez, duly carried by the following vote, the Board adopted a Resolution approving the Administrative Budget for the Successor Agency for the six-month period of January 1, 2013 through June 30, 2013 and a Cooperative Agreement with the City and the Successor Agency:

**Ayes: 7- Board Member Buendia, Board Member Duarte,
Board Member Fontanez, Board Member Verches,
Vice Chair Cervera and Chair Guerrero**

Attachments: [Staff Report and Resolution](#)

4. Consideration of the next date, time and location for the regular meeting of the Oversight Board. (12-3830)

The next meeting is scheduled for Wednesday, October 24, 2012 at 3:30 p.m.

VI. MISCELLANEOUS

5. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (12-3831)

There were no new matters.

6. Public Comment. (12-3833)

There was no Public Comment.

7. Adjournment. (12-3834)

The meeting was adjourned at 7:10 p.m.